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December 4, 2007

**HAND DELIVERED**

Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

RECEIVED

DEC 04 2007

PUBLIC SERVICE  
COMMISSION

**RE: The Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company Demand-Side Management for the Review, Modification, and Continuation of Energy Efficiency Programs and DSM Cost Recovery Mechanisms**  
**Case No. 2007-00319**

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten copies of an Objection and Motion in the Alternative of Louisville Gas and Electric Company and Kentucky Utilities Company to Motion of CAC and KACA for Hearing in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions please contact me at your convenience.

Yours very truly,

W. Duncan Crosby III

WDC:ec  
Enclosures  
cc: Parties of Record

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**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

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DEC 04 2007

PUBLIC SERVICE  
COMMISSION

**In the Matter of:**

**THE JOINT APPLICATION OF LOUISVILLE )**  
**GAS AND ELECTRIC COMPANY AND )**  
**KENTUCKY UTILITIES COMPANY DEMAND- )**  
**SIDE MANAGEMENT FOR THE REVIEW, ) CASE NO. 2007-00319**  
**MODIFICATION, AND CONTINUATION OF )**  
**ENERGY EFFICIENCY PROGRAMS AND DSM )**  
**COST RECOVERY MECHANISMS )**

**OBJECTION AND MOTION IN THE ALTERNATIVE OF**  
**LOUISVILLE GAS AND ELECTRIC COMPANY AND**  
**KENTUCKY UTILITIES COMPANY**  
**TO MOTION OF CAC AND KACA FOR HEARING**

Louisville Gas and Electric Company and Kentucky Utilities Company (collectively “Companies”), by counsel, hereby object to the Motion for Hearing of CAC (Community Action Counsel of Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc.) and KACA (Kentucky Association for Community Action, Inc.). CAC and KACA’s motion was not timely filed, nor have they demonstrated that a hearing is necessary in this proceeding. In the alternative, the Companies hereby respectfully move the Commission to limit the scope of a hearing in this proceeding to address only the Residential Low Income Weatherization Program (“WeCare”), and to issue an order approving the remainder of the Companies’ Application.

In support of their Objection and Motion in the Alternative, the Companies state:

## **I. Objection**

- A. The Commission Should Deny CAC and KACA's Motion for Hearing Because It Was Made out of Time.

On November 13, 2007, the Commission issued an Order modifying the procedural schedule in this proceeding. In that Order, the Commission required all requests for a hearing "to be filed on or before November 30, 2007."<sup>1</sup>

Though CAC and KACA dated their Motion for Hearing November 30, 2007, the Commission's "Received" file-stamp shows that the Commission did not receive the Motion for filing until December 3, 2007.<sup>2</sup> The Companies therefore respectfully submit that the Motion is not timely and should be denied, and the Commission should proceed expeditiously to approve the Companies' Application.

- B. The Companies Have Demonstrated that the Proposed WeCare Program Is Needed and Should Be Operated in Accord with the Application.

Contrary to CAC and KACA's assertion, "[M]uch clarification as to the need for such a program and how the program should be operated is necessary," the Companies' Application and other evidence clearly demonstrate the need for the WeCare program.<sup>3</sup> The Companies have further demonstrated that operating the program in the way set out in their Application is the most reasonable and effective means of providing energy efficiency audits and services to lower-income customers, who otherwise could not afford such audits or to implement the measures suggested by such audits.<sup>4</sup> There is, therefore, no need for a hearing in this proceeding.

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<sup>1</sup> Order at 2 (Nov. 13, 2007).

<sup>2</sup> *Id.* at 1.

<sup>3</sup> See, e.g., Application, LG&E and KU Energy Efficiency 2008-2014 Program Plan at 26-32; Companies' 9-7-07 Response to the 8-24-07 Data Requests of the Attorney General, No. 18; Companies' 9-7-07 Response to the 8-24-07 Data Requests of the CAC, Nos. 9-11; Companies' Joint Responsive Comments at 18-19 (Nov. 26, 2007).

<sup>4</sup> See *id.*

**II. Motion in the Alternative**

In the alternative, the Companies respectfully move the Commission to approve their Application as-filed, with the exception of the WeCare program, and to limit the scope of any hearing to issues concerning the WeCare program alone. No party has asked for a hearing concerning a program other than WeCare, and the Companies have demonstrated the prudence and reasonableness of the other programs, as well as the appropriateness of their requested lost sales cost recovery and Demand-Side Management economic incentive.

**WHEREFORE**, Louisville Gas and Electric Company and Kentucky Utilities Company object to CAC and KACA's Motion for Hearing as untimely and to a hearing itself as unnecessary. In the alternative, if the Commission elects to hold a hearing in this proceeding, the Companies respectfully move the Commission to issue an Order approving the Companies' Application except for the WeCare program and further to limit the hearing only to issues concerning that program.

Dated: December 4, 2007

Respectfully submitted,



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Counsel for Louisville Gas and Electric  
Company and Kentucky Utilities Company

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Objection and Motion was served on the following persons on the 4<sup>th</sup> day of December 2007, by United States mail, postage prepaid:

Dennis G. Howard II  
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Office of the Attorney General  
Office of Rate Intervention  
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